

BUSINESS REGULATION AND TAXATION CODE

TITLE FIVE - ANNUAL TAXES

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350 REVENUE

350.01 No New Tax
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This section was mandated by the Home Rule Charter, Article VIII, Section 807.

350.01 NO NEW TAX

Council shall establish no new tax. (Art. VIII, §807)

350.02 TAXES INTACT AT 1996 LEVELS

Council shall not raise the rates of the deed transfer, earned income, business privilege, the Emergency and Municipal Services Tax beyond \$52, amusement devices, and resident taxes above their respective 1996 levels. (Art. VIII, §807; 5/16/06)

350.03 LAND VALUE TAX

Property Development Incentive Taxation System. (Art. VIII, §807)

1. Beginning in 1997, the City of Allentown will adopt a property taxation system designed to encourage development of new properties and improvements to existing properties. The system will accomplish this by gradually reducing the tax rate applied to all buildings relative to the tax rate applied to all land (whether developed or undeveloped). (Art. VIII, §807)

2. The following shall be the minimum ratios of the land tax rate to the building rate for the respective years:

1997	1.49
1998	2.06
1999	2.76
2000	3.62
2001 and beyond	4.70

(Art. VIII, §807)

3. Council may establish a ratio of the land tax rate to the building tax rate higher than 4.70 after 2001. (Art. VIII, §807)

350.04 COUNCIL VOTE ON INCREASING OR DECREASING TAXES

Council may reduce any tax rate or fee (provided it maintains the minimum ratios for property taxes as in Section 807(C)(2) of the Charter, by a majority vote. Council may increase property tax rates or fees (provided it maintains the minimum ratios for property taxes as in Section 807(C)(2) of the Charter, by five (5) votes. (Art. VIII, §807; 5/18/99)

350.05 REFERENDUM AND PROPERTY TAXES

The citizens of Allentown may increase or decrease property tax rates through the referendum process defined in Sections 1002-1009 (provided that, as long as the Property Development Incentive Taxation System is in effect, the resulting ratio meets or exceeds the minimum ratio set by this Charter or by Council). (Art. VIII, §807)

After the year 2001, the citizens of Allentown may amend or terminate the Property Development Incentive Taxation System by reducing the ratio of the land tax rate to the building tax rate or by reverting to a single tax rate for land and buildings through the referendum process defined in Sections 1002-1009. (Art. VIII, §807)

**ARTICLE 351
COUNTY ASSESSMENT LAW**

351.01 Subject to Third Class County Assessment Law
351.02 Predetermined Ratio of Market Value

CROSS REFERENCES

Optional Use by Cities - 72 P.S. - §5453.104
Board of Assessment and Revision of Taxes - 72 P.S. §5453.301
Revision and Appeals - 72 P.S. §5453.701 et seq.

351.01 SUBJECT TO THIRD CLASS COUNTY ASSESSMENT LAW

Whereas Lehigh County has become a Third Class County; Whereas the City of Allentown has heretofore by Ordinance No. 11823 become subject to the Act of May 21, 1943 (P.L. 571) and amendments thereto, known as "the Forty to Eighth Class County Assessment Law", and desires that such Ordinance shall continue in force and effect with the changeover of Lehigh County from a Fourth Class County to a Third Class County;

Now, therefore, as of the date Lehigh County became a Third Class County, the City of Allentown shall become subject to the provisions of the Act of June 26, 1931 (P.L. 1379) and amendments thereto, which Act concerns itself with assessments in Counties of the Third Class and with the same force and effect as the "Forty to Eighth Class County Assessment Law", and under the same agreement heretofore executed between the County of Lehigh and City of Allentown for the establishment of an Advisory Committee to the County Board of Assessments and Revision of Taxes. (11867 §1,2 3/16/71)

351.02 PREDETERMINED RATIO OF MARKET VALUE

There is hereby established a predetermined ratio for assessment purposes of fifty (50%) percent of the market valuation supplied by the County, provided the City may at any time select a different predetermined ratio. (12092 §1 10/16/74)

**ARTICLE 353
PROPERTY TAX**

353.01 Collection Dates and Payments

CROSS REFERENCES

Power to Levy Property Taxes - 3rd Class - §2531 (53 P.S. §37531)
Tax Liens; Liability for False Return - 3rd Class §2537 (53 P.S. §37537)

EDITOR'S NOTE: Pursuant to Third Class City Code Section 2531, Council annually enacts a tax for general revenue and debt purposes on all real, personal and mixed property within the City. Consult the City Clerk for the current fiscal year tax.

353.01 COLLECTION DATES AND PAYMENTS

A. The Director of Administration and Finance is authorized and empowered to collect the annual real estate taxes according to the following schedule:

1. Real estate taxes shall be billed each year on or before February 1.
2. There shall be a discount period according to State law of two months commencing February 5, during which payment received of the current outstanding real estate taxes shall result in a two (2%) percent discount of the total tax. (12165 §1 12/22/75; 13686 §1 7/16/98)
3. The gross tax period of payment shall begin on April 6, and shall continue for two consecutive months from that date until June 5. (12172 §1 2/4/76; 13686 §1 7/16/98)
4. A penalty of ten (10%) percent shall be assessed on all unpaid taxes as of June 6 of the fiscal year. (12229 §1 12/15/76; 13686 §1 7/16/98)

B. The Director of Administration and Finance is further empowered and authorized to collect the aforesaid taxes by means of installment payments. The following dates are the installment due dates within the year at which time one-fourth of the total real estate tax shall be due and owing: April 15, May 15, June 15 and July 15. A property owner electing to use the installment

option shall make the first payment no later than April 15. All other installment payments paid after the respective due date will be subject to a penalty of ten (10%) percent. (12254 §1 7/6/77; 13175 §1 1/7/93)

ARTICLE 355 RESIDENCE TAX

355.01 Authority
355.02 Definitions
355.03 Tax Imposed; Rate
355.04 Notice of Tax Due
355.05 Discount and Penalty
355.06 Collection
355.07 Senior Citizen Exemption
355.99 Penalty

CROSS REFERENCE Power to Tax - 3rd Class §2531

355.01 AUTHORITY

This article is enacted under the authority of the Act of June 23, 1931 (commonly designated as the Third Class City Code), and the amendments and supplements thereto, including the Act of November 19, 1959 (P.L. 1519) and Act of July 25, 1963 (P.L. 309). (11856 §7 12/15/70)

355.02 DEFINITIONS

The following words and phrases, when used in this Article, shall have the meanings ascribed to them in this Section, except where the context or language clearly indicates or requires a different meaning.

1. **Person** means any natural person.
2. **Residence** means the act or fact of living within the boundaries of the City of Allentown.
3. **Inhabitant** means any person domiciled in the City of Allentown.
4. **Taxpayer** means any person required hereunder to pay a Residence Tax. (11856 §1 12/15/70)

355.03 TAX IMPOSED; RATE

In addition to other taxes provided for by ordinances of the City, there is hereby imposed for general revenue purposes an annual residence tax of Five (\$5.00) Dollars upon every inhabitant of the City who is eighteen (18) years of age or older. (11972 §2 12/20/72)

355.04 NOTICE OF TAX DUE

The residence tax shall be collected by the City Treasurer. The City shall annually send every inhabitant of the City who is eighteen (18) years of age or older a notice of the residence tax due by such inhabitant for the current year. However, the failure or omission by the City to send, or of any taxpayer to receive such notice shall not relieve such person from the payment of the residence tax. (11972 §3 12/20/72)

355.05 DISCOUNT AND PENALTY

A. All taxpayers subject to the payment of the tax under this Article shall be entitled to a discount of two (2%) percent on the amount of such tax upon making payment of the whole amount thereof within two (2) month after the date of the tax notice. All taxpayers who shall fail to make payment of any such taxes imposed against them by this Article for four (4) months after the date of the notice, shall be charged a penalty of five (5%) percent which shall be added to the taxes by the Collector and collected by him. The Collector shall furnish a receipt to every person paying such tax.

B. Every owner of multiple family units and/or single unit rentals not occupied by the owner, shall be responsible to the Department of Administration and Finance to certify to that office a list of all tenants and their addresses on or before April 15 of each calendar year. The tenant list shall identify the owner of the rental property, the owner's residence address and telephone number. (13281 §1 9/22/94)

C. Every owner of rental dwelling units who wilfully or negligently fails to submit the heretofore mentioned tenant lists shall be liable for, in addition to the penalties hereinafter provided, such sums that would have been billed out by the Department of

Administration and Finance if the tenant lists would have been provided less such sums that have actually been received from such tenants. (11856 §4 12/15/70; 13281 §1 9/22/94)

355.06 COLLECTION

All taxes levied under this Article, together with all penalties, shall be recoverable by the Collector in the manner authorized by law in the case of per capita and residence taxes within the Commonwealth of Pennsylvania. (11856 §5 12/15/70)

355.07 SENIOR CITIZEN EXEMPTION

Effective with the annual Residence Tax due and payable after July 1, 1985, upon proper application filed with and approved by the Department of Administration and Finance, Senior Citizens sixty-five (65) years of age or older whose annual income from all sources is less than Five Thousand (\$5,000) Dollars shall be exempt from said tax upon submission and approval of annual application form. (12654 §1 5/1/85; 13281 §1 9/22/94)

355.99 PENALTY

Any person violating any of the provisions of this article, except Section 355.05 (C), shall upon conviction be fined not more than Three Hundred (\$300.00) Dollars or imprisoned not more than ninety (90) days or both. (11972 §4 12/20/72; 14429 §1 10/6/06)

Any person violating Section 355.05 (C) shall, upon conviction, be fined at least One Hundred (\$100) Dollars, but not more than Four Hundred (\$400) Dollars for each property, or imprisoned not more than ninety (90) days or both. (14429 §1 10/6/06)
